TA COMPLETION REPORT

Division: MKSS

TA No. and Name **3487-VIE: Low Income Housing and Secondary Towns Urban Development Needs Assessment Study**			TA Amount Approved **$500,000.00** Revised Amount $500,000.00	
Executing Agency Ministry of Construction	**Source of Funding** JSF		TA Amount Undisbursed **$29,836.60**	TA Amount Utilized **$470,163.40**
Date			Closing Date	
Approval 30 Aug 2000	Signing 21 Dec 2000	Field 19 February 2001	**TA Completion**: Original: 31 October 2001 Actual: 31 August 2001	**TA Account**: Original: 31 October 2001 Actual: 30 April 2003

TA Description

In 1998, the Government approved a master plan to guide urban development in Viet Nam until 2020. The plan establishes the objectives and policies for sustainable urban development in Viet Nam that will create an effective economic and physical infrastructure and a healthy environment. To support the objectives and policies of the Government in reducing poverty in the Central Region, TA is required to assess the urban infrastructure and service needs of the secondary towns, especially in terms of providing the poor with equitable access to such infrastructure and services. These needs, together with an assessment of the technical, financial, and managerial capacities of the local governments, will serve as the basis for planning urban sector investments in the region both by the Government and ADB. Equally, the TA is required to analyze the constraints and possibilities for financing and developing low-income housing in the country.

TA Objectives and Scope

The objective of the TA is to support the objectives and policies of the Government in the urban sector by: (i) designing a sustainable, long-term ADB assistance strategy for the development of secondary towns in the Central Region of Viet Nam, and (ii) assessing the situation and potential for ADB support to the low-income housing subsector in the country, particularly housing finance. The strategy will evaluate institutional aspects, the impact on the poor, the potential for private sector participation, and sustainability. The study will serve as a basis for future ADB interventions in the different subsectors and prioritized towns.

The scope of the TA include Part A: Urban Development Component, to assess (i) urban infrastructure needs of provincial and district towns in categories II, III, IV, and V in the Central Region, (ii) urban services requirements of the selected towns, (iii) institutional setup of the urban sector; and (iv) Government and international assistance interventions. Part B: Low-Income Housing Component, to assess (i) housing needs in Viet Nam, (ii) housing finance demand and supply, (iii) institutional, legal and policy arrangements, constraints, and opportunities for the provision of housing finance, and (iv) Government and international assistance interventions.

TA Inputs Evaluation

The TA objectives and scope were adequate and the TOR clear and comprehensive. No significant modifications were made during the TA implementation. The TA was implemented by the Housing Bureau of the Ministry of Construction (MOC). An international consultant firm from Australia in association with domestic consultants provided the consulting services under the TA. The consultants were organized in two separate teams. The first team, in charge of Part A, comprised 1 international consultant for 5 months and 4 domestic consultants for a total of 20 person-months. The second team, in charge of part B, comprised one international consultant for 5 months and 2 domestic consultants for a total of 20 person-months. The performance of the consultants for part A was *satisfactory* and for part B was *highly satisfactory*. The EA appointed counterpart staff to work with the consultants. The EA played an active role in providing the need logistical support, especially for the arrangement of workshops involving representatives from the 18 provinces of the Central Region of Viet Nam. The performance of the EA is rated as satisfactory. The TA was adequately supervised through regular meetings and discussions with EA, provincial authorities and consultants. ADB fielded three Review Missions, which participated actively in the 3 workshops attended by representatives of the 18 provinces of the central region, commercial banks and government departments. The performance of ADB in supporting the TA is also rated as *satisfactory*.

TA Outputs Evaluation

Part A. The TA provided an overall assessment of the infrastructure needs in secondary towns of the Central Region of Viet Nam and a more detailed assessment of the needs in 6 selected provincial towns and 2 district towns. The TA also provided an assessment of the institutional, legal and administrative set up of the urban sector, and presented an overview of Government and donor interventions in the sector. The outputs of the TA provided the basis for the preparation of a PPTA – VIE Central Region Urban Development in December 2001, which has been used to design the Central Region Urban Environmental Improvement Project, scheduled for Board Consideration on 8 December 2003. The Final Report was submitted as scheduled in August 2001, and its quality was satisfactory, particularly for part B. Final payment to the consultants was made in January 2002. However, closing of TA account has been delayed to April 2003 as it was decided that part of the left-over funds will be used for some possible continued study within the overall scope of the TA. The TA provided a comprehensive assessment of housing needs and demand in Viet Nam. It also provided a detailed analysis of institutional, legal and policy arrangements, constraints, and opportunities for the provision of housing finance and interventions from the Government and donors in the sector. The TA provided innovative ideas and recommendation for the preparation of a Housing Finance Project in Viet Nam focused on low-income and poor households. The outputs of the TA were used for the preparation of a PPTA – VIE Housing Finance in January 2002, which has been used to design the Housing Finance Project, approved by the Board of Directors on 20 December 2002. The TA provided recommendation for a strategic approach to the urban development and housing finance sectors to focus ADB interventions in priority areas and subsectors, improve sustainability and reduce poverty and vulnerability.

The quality and timeliness of the outputs is considered *satisfactory*.

TA Overall Assessment and Rating

The TA is rated as successful. The sector assessment and recommendations of the TA provided guidance to the Government and ADB for the preparation of two separate projects.

Major Lessons Learned are as follows:
(i) ADTAs can be particularly effective instruments in providing detailed analysis of the constraints and opportunities of a sector which can not be provided during the implementation of a PPTA, (ii) ADTAs can also be properly designed to provide recommendations that could be used for the preparation of new Projects to financed by ADB.

Follow-Up Action and Recommendations:

Further support will be required to implement the necessary reforms and investments suggested in the TA. Implementation of the two Projects resulting from this ADTA should be carefully supervised during the next 4 years. Additional Projects in the Urban Sector of the Central Region could be developed based on the TA recommendations. A district Towns Urban development project recommended as a priority in the ADTA is included in the ADB pipeline for consideration in 2006. A second Housing Finance Project could also be prepared in 2007 based on the long-term recommendations of the TA and depending on the implementation of the Housing Finance Project already approved by the Board.

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